

108TH CONGRESS  
1ST SESSION

# S. 263

To amend part A of title IV of the Social Security Act to require a comprehensive strategic plan for the State temporary assistance to needy families program and to give States the flexibility to implement innovative welfare programs that have been proven effective in other States.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 30, 2003

Mr. BINGAMAN introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend part A of title IV of the Social Security Act to require a comprehensive strategic plan for the State temporary assistance to needy families program and to give States the flexibility to implement innovative welfare programs that have been proven effective in other States.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Self Sufficiency and  
5       Accountability Act of 2003”.

1 **SEC. 2. COMPREHENSIVE STRATEGIC TANF PLAN.**

2 (a) IN GENERAL.—Section 402 of the Social Security  
3 Act (42 U.S.C. 602) is amended to read as follows:

4 **“SEC. 402. ELIGIBLE STATES; STATE PLAN.**

5 “(a) IN GENERAL.—As used in this part, the term  
6 ‘eligible State’ means, with respect to a fiscal year, a State  
7 that, during the 27-month period ending with the close  
8 of the 1st quarter of the fiscal year, has submitted to the  
9 Secretary, and revised when necessary in accordance with  
10 subsection (b), a written plan that the Secretary has found  
11 includes the following:

12 “(1) OUTLINE OF FAMILY ASSISTANCE PRO-  
13 GRAM.—

14 “(A) PROGRAMMATIC INFORMATION.—In-  
15 formation relating to the State program, includ-  
16 ing the following:

17 “(i) With respect to each program  
18 that will be funded under this part, or with  
19 qualified State expenditures claimed by the  
20 State to meet the requirements of section  
21 409(a)(7), over the 2-year period for which  
22 the plan is being submitted—

23 “(I) the name of the program;

24 “(II) the goals of the program;

1 “(III) a description of the bene-  
2 fits and services provided in the pro-  
3 gram;

4 “(IV) a description of principal  
5 eligibility rules and populations served  
6 under the program, including the cir-  
7 cumstances under which the State  
8 provides benefits or services to indi-  
9 viduals who are not citizens of the  
10 United States;

11 “(V) a description of how the  
12 State will ensure fair and equitable  
13 treatment among program applicants  
14 and recipients and how the State will  
15 provide opportunities for applicants  
16 and recipients who have been ad-  
17 versely affected to be heard in a State  
18 administrative or appeal process, in-  
19 cluding a description of the steps that  
20 the State has taken (or will take) to  
21 ensure—

22 “(aa) compliance with non-  
23 discrimination, civil rights, and  
24 employment laws throughout the  
25 process of providing services

1 under this part, including at the  
2 time of application for benefits,  
3 during the applicant assessment  
4 process, when determining avail-  
5 ability of an eligibility for bene-  
6 fits and services, during the ac-  
7 tual delivery of services or bene-  
8 fits, and when deciding to termi-  
9 nate benefits in full or in part;  
10 and

11 “(bb) that program appli-  
12 cants and recipients are aware of  
13 their rights and the process for  
14 enforcing their rights; and

15 “(VI) a description of how the  
16 program meets 1 or more of the pur-  
17 poses described in section 401 or, in  
18 the case of a program funded with  
19 qualified State expenditures, how the  
20 program meets the criteria in section  
21 409(a)(7)(B).

22 “(ii) With respect to each program  
23 that will be funded under this part, or with  
24 qualified State expenditures claimed by the  
25 State to meet the requirements of section

1           409(a)(7), over the 2-year period for which  
2           the plan is being submitted and that pro-  
3           vides assistance—

4                   “(I) a description of the applica-  
5                   ble financial and nonfinancial eligi-  
6                   bility rules including, income eligibility  
7                   thresholds, the treatment of earnings,  
8                   asset eligibility rules, and excluded  
9                   forms of income;

10                   “(II) a description of applicable  
11                   work-related requirements, including  
12                   which adults are required to partici-  
13                   pate in such activities, the activities in  
14                   which they can participate, the cri-  
15                   teria for determining the activity an  
16                   adult is assigned to, and the proce-  
17                   dures used to screen and assess par-  
18                   ticipants for barriers to employment  
19                   including physical or mental impair-  
20                   ments, substance abuse, learning dis-  
21                   abilities, domestic violence, inadequate  
22                   or unstable housing and very low  
23                   basic skills;

24                   “(III) a description of applicable  
25                   time limit policies, including the

length of the time limit, exemption and extension policies, and procedures and policies for providing services to families reaching time limits and who have lost assistance due to time limits; and

“(IV) a description of applicable sanction policies and procedures, including the program requirements for which a sanction can be applied for failure to comply, the amount and duration of sanctions, the State-defined criteria that constitute good cause for failing to meet each program requirement for which a sanction may be imposed, how the State will comply with the requirement in section 407(e)(2), and the procedures in place to identify families who are unable to comply with program requirements due to various barriers (such as physical or mental impairments, domestic violence, unavailable or inaccessible child care, illiteracy, lack of English proficiency) and procedures for providing

1 services to those families rather than  
2 imposing a sanction on them.

3 “(iii) A description of—

4 “(I) the primary problems that  
5 families receiving assistance, and fam-  
6 ilies who have recently stopped receiv-  
7 ing assistance, under the State pro-  
8 gram funded under this part, or under  
9 a program funded with qualified State  
10 expenditures as defined in section  
11 407(a)(7), experience in securing and  
12 retaining adequate, affordable housing  
13 and the estimated extent of each such  
14 problem, including the price of such  
15 housing in various parts of the State  
16 that include a large proportion of re-  
17 cipients of assistance under the State  
18 program, and the steps that have been  
19 and will be taken by the State and  
20 other public or private entities that  
21 administer housing programs to ad-  
22 dress these problems; and

23 “(II) the methods the State has  
24 adopted to identify barriers to work  
25 posed by the living arrangement,

1 housing cost, and housing location of  
2 individuals eligible for participation in  
3 the State program funded under this  
4 part and the services and benefits  
5 that have been or will be provided by  
6 the State and other public or private  
7 entities to help families overcome such  
8 barriers.

9 “(iv) A description of the steps the  
10 State will take to restrict the use and dis-  
11 closure of information about individuals  
12 and families applying for or receiving as-  
13 sistance under a program funded under  
14 this part, or with qualified State expendi-  
15 tures as defined in section 409(a)(7).

16 “(v) A description of how the State  
17 will ensure the availability of a stable and  
18 professional workforce in the administra-  
19 tion of the State program under this part  
20 with the resources, skills, and expertise  
21 necessary to successfully carry out the pro-  
22 gram, including a description of the plan  
23 of the State to provide program staff with  
24 training on the following:



1 “(I) Program information and  
2 services.

3 “(II) The rights of recipients of  
4 assistance under all laws applicable to  
5 the activities of the program, includ-  
6 ing nondiscrimination and employ-  
7 ment laws.

8 “(III) Cultural diversity and sen-  
9 sitivity.

10 “(IV) Referral of recipients of as-  
11 sistance to all appropriate programs  
12 and services for which such recipients  
13 are eligible.

14 “(V) Screening of recipients of  
15 assistance for serious barriers to em-  
16 ployment and referral to qualified spe-  
17 cialists.

18 “(vi) A description of the steps that  
19 the State has taken to inform applicants  
20 for and recipients of assistance under the  
21 State program under this part of their  
22 rights and obligations under such program.  
23 Such description shall include—

24 “(I) an explanation of the man-  
25 ner in which the State will ensure that

1           such information is communicated ef-  
2           fectively to all such individuals, in-  
3           cluding how the State will provide ap-  
4           propriate translation or interpretation  
5           services where necessary; and

6                   “(II) an assurance that the com-  
7           munication of such information will  
8           take place throughout the service de-  
9           livery and processing.

10                   “(B) INFORMATION ABOUT PROGRAMS DE-  
11           SIGNED OR IMPLEMENTED AT SUB-STATE LEV-  
12           ELS.—With respect to any program described  
13           in clauses (i) or (ii) of subparagraph (A) in  
14           which the State permits counties or other sub-  
15           state entities to design their own rules with re-  
16           spect to any of the information required under  
17           such clauses, the State plan shall be designed to  
18           reflect the policies of each such county or sub-  
19           state entity.

20                   “(C) STATE GOALS AND BENCHMARKS.—  
21           For each purpose contained in section 401(a),  
22           the State plan shall provide the following infor-  
23           mation:

24                   “(i) A description of specific goals the  
25           State will attempt to achieve over the suc-

ceeding 5-year period to further that purpose.

“(ii) A description of how the State intends to meet the goals described in clause (i) over such 5-year period and a description of the steps the State will take during such period to work toward achieving such goals.

“(iii) A description of performance measures that will be used to measure progress made by the State toward achieving each such goal, including the methodology for computing such measures. Each performance and outcome measure described in the State plan under this subparagraph shall be reported by the State annually in a form prescribed by the Secretary.

“(iv) An identification of those key factors external to the program and beyond the control of the State that could significantly affect the attainment of the goals.

“(v) A description of any additional evaluation methods the State will use to

1                   measure progress made by the State to-  
2                   ward achieving such goals.

3                   “(2) MINIMUM PARTICIPATION RATES.—A de-  
4                   scription of how the minimum participation rates  
5                   specified in section 407 will be satisfied.

6                   “(3) ESTIMATE OF EXPENDITURES.—An esti-  
7                   mate of the total amount of State or local expendi-  
8                   tures under all programs described in clauses (i) or  
9                   (ii) of paragraph (1)(A) for the fiscal year in which  
10                  the plan is submitted.

11                  “(4) SPECIAL PROVISIONS.—

12                   “(A) CERTIFICATION REGARDING ASSESS-  
13                   MENT OF REGIONAL ECONOMIES AND INFORM-  
14                   ING LOCALITIES OF SECTORAL LABOR SHORT-  
15                   AGES AND IDENTIFICATION OF SELF-SUFFI-  
16                   CIENCY STANDARD.—

17                   “(i) IN GENERAL.—A certification by  
18                   the chief executive officer of the State that,  
19                   during the fiscal year, the State will—

20                   “(I) assess its regional economies  
21                   and provide information to political  
22                   subdivisions of the State about the in-  
23                   dustrial sectors that are experiencing  
24                   a labor shortage and that provide  
25                   higher entry-level wage opportunities

1 for unemployed and underemployed  
 2 job seekers identified in accordance  
 3 with section 411(c); and

4 “(II) identify the self-sufficiency  
 5 standards for families after the fami-  
 6 lies cease to receive assistance under  
 7 the State program funded under this  
 8 part in accordance with clause (ii).

9 “(ii) REQUIREMENTS FOR IDENTI-  
 10 FICATION OF SELF-SUFFICIENCY STAND-  
 11 ARDS.—

12 “(I) IN GENERAL.—The State  
 13 shall provide to the Secretary a docu-  
 14 ment adopted or developed by the  
 15 State, that—

16 “(aa) describes the income  
 17 needs of families (in this part re-  
 18 ferred to as ‘State self-sufficiency  
 19 standards’) based on family size,  
 20 the number and ages of children  
 21 in the family, and sub-State geo-  
 22 graphical considerations; and

23 “(bb) if the State has a size-  
 24 able Native American population,

1 includes information specific to  
2 the needs of that population.

3 “(II) CRITERIA.—The State self-  
4 sufficiency standards shall separately  
5 specify the monthly costs of housing,  
6 food, child care, transportation, health  
7 care, other basic needs, and taxes (in-  
8 cluding tax benefits), and shall be de-  
9 termined using national, State and  
10 local data on the cost of purchasing  
11 goods and services in the marketplace.

12 “(III) CATEGORIES OF FAMI-  
13 LIES.—The State self-sufficiency  
14 standards shall categorize families—

15 “(aa) by whether there are 1  
16 or 2 adults in the family;

17 “(bb) by whether there are  
18 0, 1, 2, 3, or more than 3 chil-  
19 dren in the family; and

20 “(cc) by the age of each  
21 child in the family, according to  
22 whether a child is an infant, of  
23 pre-school age, of school age, or a  
24 teenager.

1 “(IV) REGULATIONS.—The Sec-  
2 retary shall prescribe the protocols,  
3 criteria, cost categories, definitions,  
4 and means of making inflation adjust-  
5 ments to be used in developing self-  
6 sufficiency standards pursuant to this  
7 clause, which shall be based on com-  
8 monly accepted definitions of ade-  
9 quacy, such as those used for estab-  
10 lishing fair market rents, and that re-  
11 flect, to the extent possible, consensus  
12 and use among those calculating fam-  
13 ily budgets and self-sufficiency stand-  
14 ards.

15 “(V) DATA.—The self-sufficiency  
16 standards developed pursuant to this  
17 clause shall be—

18 “(aa) recalculated on adop-  
19 tion if the data on which the  
20 standards are based is more than  
21 3 years old;

22 “(bb) recalculated every 5  
23 years after adoption; and

24 “(cc) updated for inflation  
25 each year after adoption in which

1 the standards are not be recal-  
2 culated pursuant to item (bb).

3 “(VI) TECHNICAL ASSISTANCE IN  
4 DEVELOPING STANDARDS.—The Sec-  
5 retary may provide financial or tech-  
6 nical assistance to an eligible State to  
7 enable the State to develop or improve  
8 the State self-sufficiency standards  
9 and produce State reports required by  
10 section 411(d). The Secretary shall  
11 carry out this paragraph by making a  
12 grant to, or entering into a contract  
13 with an organization or institution  
14 with substantial experience in calcu-  
15 lating and implementing on the State  
16 level family budgets and self-suffi-  
17 ciency standards. An organization or  
18 institution desiring to provide tech-  
19 nical assistance described in this sub-  
20 clause shall submit to the Secretary  
21 an application at such time, in such  
22 manner, and accompanied by such in-  
23 formation as the Secretary may re-  
24 quire.



1           “(B) CERTIFICATION THAT THE STATE  
2           WILL OPERATE A CHILD SUPPORT ENFORCE-  
3           MENT PROGRAM.—A certification by the chief  
4           executive officer of the State that, during the  
5           fiscal year, the State will operate a child sup-  
6           port enforcement program under the State plan  
7           approved under part D.

8           “(C) CERTIFICATION THAT THE STATE  
9           WILL OPERATE A FOSTER CARE AND ADOPTION  
10          ASSISTANCE PROGRAM.—A certification by the  
11          chief executive officer of the State that, during  
12          the fiscal year, the State will operate a foster  
13          care and adoption assistance program under the  
14          State plan approved under part E, and that the  
15          State will take such actions as are necessary to  
16          ensure that children receiving assistance under  
17          such part are eligible for medical assistance  
18          under the State plan under title XIX.

19          “(D) CERTIFICATION OF THE ADMINISTRA-  
20          TION OF THE PROGRAM.—A certification by the  
21          chief executive officer of the State specifying  
22          which State agency or agencies will administer  
23          and supervise the family assistance program re-  
24          ferred to in paragraph (1) for the fiscal year,

1 which shall include assurances that local gov-  
 2 ernments and private sector organizations—

3 “(i) have been consulted regarding the  
 4 plan and design of welfare services in the  
 5 State so that services are provided in a  
 6 manner appropriate to local populations;  
 7 and

8 “(ii) have had at least 45 days to sub-  
 9 mit comments on the plan and the design  
 10 of such services.

11 “(E) CERTIFICATION THAT THE STATE  
 12 WILL PROVIDE INDIANS WITH EQUITABLE AC-  
 13 CESS TO ASSISTANCE.—A certification by the  
 14 chief executive officer of the State that, during  
 15 the fiscal year, the State will provide each mem-  
 16 ber of an Indian tribe, who is domiciled in the  
 17 State and is not eligible for assistance under a  
 18 tribal family assistance plan approved under  
 19 section 412, with equitable access to assistance  
 20 under the State program.

21 “(F) CERTIFICATION OF STANDARDS AND  
 22 PROCEDURES TO ENSURE AGAINST PROGRAM  
 23 FRAUD AND ABUSE.—A certification by the  
 24 chief executive officer of the State that the  
 25 State has established and is enforcing stand-

ards and procedures to ensure against program fraud and abuse, including standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage.

“(G) OPTIONAL CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE THAT THE STATE WILL SCREEN FOR AND IDENTIFY DOMESTIC VIOLENCE.—

“(i) IN GENERAL.—At the option of the State, a certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to—

“(I) screen and identify individuals receiving assistance under this part with a history of domestic violence while maintaining the confidentiality of such individuals;

“(II) refer such individuals to counseling and supportive services; and

1                   “(III) waive, pursuant to a deter-  
 2                   mination of good cause, other pro-  
 3                   gram requirements such as time limits  
 4                   (for so long as necessary) for individ-  
 5                   uals receiving assistance, residency re-  
 6                   quirements, child support cooperation  
 7                   requirements, and family cap provi-  
 8                   sions, in cases where compliance with  
 9                   such requirements would make it  
 10                  more difficult for individuals receiving  
 11                  assistance under this part to escape  
 12                  domestic violence or unfairly penalize  
 13                  such individuals who are or have been  
 14                  victimized by such violence, or individ-  
 15                  uals who are at risk of further domes-  
 16                  tic violence.

17                  “(ii) DOMESTIC VIOLENCE DE-  
 18                  FINED.—For purposes of this subpara-  
 19                  graph, the term ‘domestic violence’ has the  
 20                  same meaning as the term ‘battered or  
 21                  subjected to extreme cruelty’, as defined in  
 22                  section 408(a)(7)(C)(iii).

23                  “(b) PROCEDURES FOR SUBMITTING AND AMENDING  
 24                  STATE PLANS.—

1           “(1) STANDARD STATE PLAN FORMAT.—The  
2       Secretary shall, after notice and public comment, de-  
3       velop a proposed Standard State Plan Form to be  
4       used by States under subsection (a). Such form shall  
5       be finalized by the Secretary for use by the State  
6       not later than February 1, 2003.

7           “(2) REQUIREMENT FOR COMPLETED PLAN  
8       USING STANDARD STATE PLAN FORMAT BY FISCAL  
9       YEAR 2004.—Notwithstanding any other provision of  
10      law, each State shall submit a complete State plan,  
11      using the Standard State Plan Form developed  
12      under paragraph (1), not later than October 1,  
13      2003.

14          “(3) PUBLIC NOTICE AND COMMENT.—Prior to  
15      submitting a State plan to the Secretary under this  
16      section, the State shall—

17           “(A) make the proposed State plan avail-  
18           able to the public through an appropriate State  
19           maintained Internet web site and through other  
20           means as the State determines appropriate;

21           “(B) allow for a reasonable public com-  
22           ment period of not less than 45 days; and

23           “(C) make comments received concerning  
24           such plan or, at the discretion of the State, a  
25           summary of the comments received available to

1           the public through such web site and through  
2           other means as the State determines appro-  
3           priate.

4           “(4) PUBLIC AVAILABILITY OF STATE PLAN.—  
5           A State shall ensure that the State plan, that is in  
6           effect for any fiscal year, is available to the public  
7           through an appropriate State maintained Internet  
8           web site and through other means as the State de-  
9           termines appropriate.

10           “(5) AMENDING THE STATE PLAN.—A State  
11           shall file an amendment to the State plan with the  
12           Secretary if the State determines that there has  
13           been a material change in any information required  
14           to be included in the State plan or any other infor-  
15           mation the State has included in the plan, including  
16           substantial changes in the use of funding. Prior to  
17           submitting an amendment to the State plan to the  
18           Secretary, the State shall—

19                   “(A) make the proposed amendment avail-  
20                   able to the public as provided for in paragraph  
21                   (3)(A);

22                   “(B) allow for a reasonable public com-  
23                   ment period of not less than 45 days; and

24                   “(C) make the comments available as pro-  
25                   vided for in paragraph (3)(C).”.

1 (b) CONFORMING AMENDMENT.—Section  
 2 408(a)(5)(B)(i) of the Social Security Act (42 U.S.C.  
 3 608(a)(5)(B)(i)) is amended by striking “referred to in  
 4 section 402(a)(4)”.

5 **SEC. 3. MONITORING OF FEDERAL AND STATE EFFORTS;**  
 6 **ASSESSMENT OF REGIONAL ECONOMIES.**

7 (a) GENERAL REPORTING REQUIREMENT.—Section  
 8 411(a) of the Social Security Act (42 U.S.C. 611(a)) is  
 9 amended—

10 (1) by redesignating paragraph (7) as para-  
 11 graph (9); and

12 (2) by inserting after paragraph (6), the fol-  
 13 lowing:

14 “(7) SELF-SUFFICIENCY STANDARD.—The re-  
 15 port required by paragraph (1) for a fiscal quarter  
 16 shall include a description of the self-sufficiency  
 17 standard identified for families in accordance with  
 18 section 402(a)(4)(A)(ii).

19 “(8) INFORMATION REGARDING CIVIL  
 20 RIGHTS.—As part of the information collected and  
 21 reported under paragraph (1), the State shall in-  
 22 clude information on the number of complaints filed  
 23 by applicants for or recipients of assistance under  
 24 the State program under this part that allege civil  
 25 rights or employment law violations and the status

1 of such complaints, including the number of com-  
 2 plaints pending at the time the report is prepared.  
 3 Such information shall be delineated by alleged vio-  
 4 lation, the number of resolutions during the report-  
 5 ing period in favor of and against the complainants,  
 6 and the average length of time to process com-  
 7 plaints.”.

8 (b) ANNUAL REPORTS TO CONGRESS.—Section  
 9 411(b) of the Social Security Act (42 U.S.C. 611(b)) is  
 10 amended—

11 (1) in paragraph (3), by striking “and” at the  
 12 end;

13 (2) in paragraph (4), by striking the period and  
 14 inserting “; and”; and

15 (3) by adding at the end the following:

16 “(5) the status of civil rights complaints filed  
 17 under this part with the Office of Civil Rights of the  
 18 Department of Health and Human Services by ap-  
 19 plicants for or recipients of assistance under a State  
 20 program, including the number of complaints pend-  
 21 ing at the time the report is prepared delineated by  
 22 alleged violation, the number of resolutions during  
 23 the reporting period in favor of and against the com-  
 24 plainants, and the average length of time to process  
 25 complaints.”.



1       (c) ANNUAL ASSESSMENT OF REGIONAL ECONO-  
 2 MIES; ANNUAL REPORT ON PROGRAMS AND SERVICES  
 3 LEADING TO SELF-SUFFICIENCY.—Section 411 of the So-  
 4 cial Security Act (42 U.S.C. 611) is amended by adding  
 5 at the end the following:

6       “(c) ASSESSMENT OF REGIONAL ECONOMIES TO  
 7 IDENTIFY HIGHER ENTRY LEVEL WAGE OPPORTUNITIES  
 8 IN INDUSTRIES EXPERIENCING LABOR SHORTAGES.—

9               “(1) IN GENERAL.—An eligible State annually  
 10 shall conduct an assessment of its regional econo-  
 11 mies to identify higher entry level wage opportunities  
 12 in industries experiencing labor market shortages.

13              “(2) MATTERS TO BE ASSESSED.—

14               “(A) LABOR MARKET.—The assessment  
 15 shall—

16                   “(i) identify industries or occupations  
 17 that have or expect to grow, that have or  
 18 expect a loss of skilled workers, or that  
 19 have a need for workers;

20                   “(ii) identify the entry-level education  
 21 and skills requirements for the industries  
 22 or occupations that have or expect a need  
 23 for workers; and

1                   “(iii) analyze the entry-level wages  
2                   and benefits in identified industries or oc-  
3                   cupations.

4                   “(B) JOB SEEKERS.—The assessment shall  
5                   create a profile in each regional economy in the  
6                   State, of the characteristics of the unemployed  
7                   and underemployed residents of such regional  
8                   economy, including educational attainment, bar-  
9                   riers to employment, geographic concentrations,  
10                  self-sufficiency needs, and availability and utili-  
11                  zation of need support services.

12                  “(C) EDUCATION AND TRAINING INFRA-  
13                  STRUCTURE.—The assessment shall create a  
14                  profile, in each regional economy in the State of  
15                  the education, training, and support services in  
16                  place in such regional economy to prepare work-  
17                  ers for the industries or occupations identified  
18                  pursuant to subparagraph (A).

19                  “(D) ALIGNING INDUSTRIES AND JOB  
20                  SEEKERS.—The assessment shall compare the  
21                  characteristics of the industries or occupations  
22                  identified pursuant to subparagraph (A) to the  
23                  profile of the job seekers in the State and the  
24                  profile of the education and training infrastruc-  
25                  ture in the State.

1           “(3) SHARING OF INFORMATION WITH LOCAL-  
 2           ITIES.—The State shall share with all counties, mu-  
 3           nicipalities, local workforce investment boards estab-  
 4           lished under section 117 of the Workforce Invest-  
 5           ment Act of 1998 (29 U.S.C. 2832), and other ap-  
 6           propriate political subdivisions of the State, informa-  
 7           tion obtained pursuant to this subsection regarding  
 8           higher entry-wage job opportunities in industries ex-  
 9           periencing labor shortages, and information regard-  
 10          ing opportunities for collaboration with institutions  
 11          of higher education, community-based organizations,  
 12          and economic development and welfare agencies.

13           “(4) REPORTS OF ASSESSMENT OF REGIONAL  
 14          ECONOMIES.—Each eligible state shall submit to the  
 15          Secretary annually a report that contains the annual  
 16          assessment conducted pursuant to this subsection.

17          “(d) ANNUAL REPORT ON PROGRAMS AND SERVICES  
 18          LEADING TO SELF-SUFFICIENCY.—A State to which a  
 19          grant is made under section 403(a) for a fiscal year shall  
 20          submit to the Secretary a report that describes, with re-  
 21          spect to the preceding fiscal year—

22               “(1) a description of the ways in which the  
 23          State program funded under this part, and support  
 24          services provided by the State to recipients of assist-  
 25          ance under that program, moved families toward

1 self-sufficiency, and that highlights the programs  
 2 and services that appeared to have a particularly  
 3 positive effect on families achieving self-sufficiency;

4 “(2) the total family income for families that  
 5 left the State program funded under this part (in-  
 6 cluding earnings, unemployment compensation, and  
 7 child support); and

8 “(3) the benefits received by families that have  
 9 left the State program funded under this part (in-  
 10 cluding benefits under the food stamp program  
 11 under the Food Stamp Act of 1977, the medicaid  
 12 program under title XIX, the State children’s health  
 13 insurance program under title XXI, earned income  
 14 tax credits, and housing assistance).”.

15 (d) RESEARCH, EVALUATIONS, AND NATIONAL  
 16 STUDIES.—Section 413(h) of the Social Security Act (42  
 17 U.S.C. 613(h)) is amended by adding at the end the fol-  
 18 lowing:

19 “(4) TECHNICAL ASSISTANCE IN ASSESSING RE-  
 20 GIONAL ECONOMIES.—

21 “(A) IN GENERAL.—The Secretary may  
 22 provide technical assistance to an eligible State  
 23 to enable the State to conduct the assessments  
 24 required by section 411(c).

“(B) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For the cost of providing technical assistance under subparagraph (A), there are authorized to be appropriated to the Secretary not more than \$1,500,000 for each fiscal year in which amounts are appropriated to carry out the State programs funded under this part.”.

**SEC. 4. PENALTY FOR FAILURE TO COMPLY WITH FAIR TREATMENT REQUIREMENTS.**

Section 409(a)(7) of the Social Security Act (42 U.S.C. 609(a)(7)) is amended by adding at the end the following:

“(C) INCREASE IN APPLICABLE PERCENTAGE FOR FAILURE TO COMPLY WITH FAIR TREATMENT REQUIREMENTS.—The applicable percent under subparagraph (B)(ii) with respect to a State shall be increased by 5 percentage points for any year in which the Secretary determines that the State has failed to comply with the State plan requirements of clause (i)(V) or (vi) of section 402(a)(1)(A).”.

**SEC. 5. WAIVERS.**

(a) CONTINUATION OF PREWELFARE REFORM WAIVERS.—Section 415 of the Social Security Act (42 U.S.C.

1 615) is amended by adding at the end the following new  
 2 subsection:

3       “(e) CONTINUATION OF WAIVERS APPROVED OR  
 4 SUBMITTED BEFORE DATE OF ENACTMENT OF WELFARE  
 5 REFORM.—Notwithstanding subsection (a), with respect  
 6 to any State that is operating under a waiver described  
 7 in that subsection which would otherwise expire on a date  
 8 that occurs during the period that begins on October 1,  
 9 2002, and ends on September 30, 2007, the State may  
 10 elect to continue to operate under that waiver, on the same  
 11 terms and conditions as applied to the waiver on the day  
 12 before such date, through September 30, 2007.”.

13       (b) APPROVAL OF WAIVERS TO DUPLICATE INNOVA-  
 14 TIVE PROGRAMS.—Section 415 of the Social Security Act  
 15 (42 U.S.C. 615), as amended by subsection (a), is further  
 16 amended by adding at the end the following:

17       “(f) REQUIREMENT TO APPROVE WAIVERS TO DU-  
 18 PPLICATE INNOVATIVE PROGRAMS.—

19               “(1) IN GENERAL.—Notwithstanding any other  
 20 provision of law, if a State submits an application  
 21 for a waiver of 1 or more requirements of this part  
 22 that contains terms that are similar or identical to  
 23 the terms of a waiver eligible to be continued under  
 24 subsection (e), and the application satisfies the re-  
 25 quirements of paragraph (2), the Secretary—

1           “(A) shall approve the application for a pe-  
 2           riod of at least 2 years, but not more than 4  
 3           years, unless the Secretary determines that ap-  
 4           proval would be inconsistent with the purposes  
 5           of this part set forth in section 401;

6           “(B) at the end of the waiver period, shall  
 7           review documentation of the effectiveness of the  
 8           waiver provided by the State; and

9           “(C) if such documentation adequately  
 10          demonstrates that the program as implemented  
 11          under the waiver has been effective, may renew  
 12          the waiver for such period as the Secretary de-  
 13          termines appropriate, but not later than Sep-  
 14          tember 30, 2007.

15          “(2) APPLICATION REQUIREMENTS.—An appli-  
 16          cation for a waiver described in paragraph (1)  
 17          shall—

18               “(A) describe relevant State caseload char-  
 19               acteristics and labor market conditions;

20               “(B) specify how the waiver is likely to re-  
 21               sult in improved employment outcomes, im-  
 22               proved child well-being, or both;

23               “(C) describe the State’s proposed ap-  
 24               proach for evaluation of the program under the  
 25               waiver; and

1           “(D) include an agreement to conduct an  
 2           independent evaluation of the waiver and to  
 3           submit the results of the evaluation to the Sec-  
 4           retary.”.

5           (c) CONFORMING AMENDMENT.—Section 415(b)(1)  
 6 of the Social Security Act (42 U.S.C. 615(b)(1)) is amend-  
 7 ed by inserting “, extended under subsection (e), or ap-  
 8 proved under subsection (f)” after “(a)”.

9   **SEC. 6. EFFECTIVE DATE.**

10          (a) IN GENERAL.—The amendments made by this  
 11 Act shall take effect as if enacted on October 1, 2002.

12          (b) DELAY PERMITTED IF STATE LEGISLATION RE-  
 13 QUIRED.—In the case of a State plan under section 402  
 14 of the Social Security Act which the Secretary of Health  
 15 and Human Services determines requires State legislation  
 16 (other than legislation appropriating funds) in order for  
 17 the plan to meet the additional requirements imposed by  
 18 the amendments made by this Act, the State plan shall  
 19 not be regarded as failing to comply with the requirements  
 20 of such section 402 solely on the basis of the failure of  
 21 the plan to meet such additional requirements before the  
 22 1st day of the 1st calendar quarter beginning after the  
 23 close of the 1st regular session of the State legislature that  
 24 begins after the date of the enactment of this Act. For  
 25 purposes of the previous sentence, in the case of a State



1 that has a 2-year legislative session, each year of such ses-  
2 sion shall be deemed to be a separate regular session of  
3 the State legislature.

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